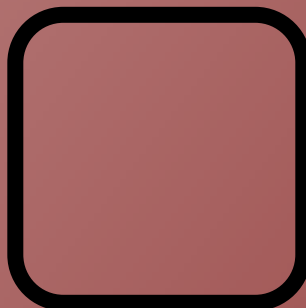
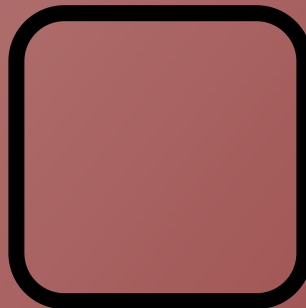
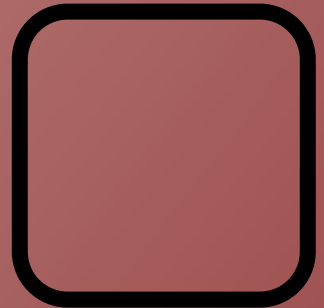


Stonington Housing Affordability Report

11.26.2008



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INTRODUCTION



This Housing Affordability Report has been prepared because residents in Stonington have realized that housing in Stonington is expensive, which is creating a negative impact on the community's quality of life. While the 2004 Plan of Conservation and Development addresses housing, this report has been developed to consider the issues, and to potentially be used to "fine tune" strategies related to housing affordability.

Over the last eight years, Stonington has seen the median sales prices of homes increase **139** percent since 2000, which limits the ability of people to afford to live here. During this same time, median salaries within the southeastern Connecticut region have only increased **46** percent, increasing the affordability gap (see sidebar to the right).

Because of affordability issues, it has become difficult for Stonington to attract young adults, young families, or people who may not be well-compensated financially, which is threatening the diversity of the community.

This is making it difficult to draw people to work at local businesses, schools, service jobs, and other positions. Stonington is also having a difficult time retaining senior residents looking to down-size, whose affordable housing options are limited by physical, financial or other constraints.

A number of housing needs indicators call out for affordable housing options in Stonington:

- Median sales price in Stonington is growing faster than the median household income in the region and the state;
- Households need to earn **130** percent of the Area Median Income to afford a median priced house;
- While population growth has been slow, household size continues to shrink, requiring more housing units,
- The State of Connecticut recommends **10** percent of all housing units be affordable, and has created a "disincentive" for communities that fail to meet this threshold – Stonington is at **4** percent, and
- **30** percent of all households are single-person households, with single incomes, yet **93** percent of all new homes built over the last seven years have been single-family homes (which tends to be the most expensive housing option);

To address these concerns, and others, this report works off of the following principle:

Quality, affordable housing is a key element of a strong community; therefore, the overall goal for Stonington is to have 10 percent of the housing stock as affordable.

Affordability Gap

The affordability gap is the difference between what a household earning the Area Median Income (AMI) can afford versus the median sales price in the community.

The affordability gap is illustrated on page 8 of this report.

Stonington Borough

Stonington Borough is currently not included in this affordability report because the Borough has their own independent planning and zoning authority.

KEY DEFINITIONS

Affordable Housing Defined

According to the Connecticut General Statutes, “Affordable Housing” means housing that is:

- subsidized housing,
- financed by CHFA or other mortgage assistance programs; or
- is deed restricted to affordable prices.

According to Section 8-30g of the Connecticut General Statutes, an affordable housing is housing restricted to households earning 80 percent or less of the regional median household income without spending more than 30 percent of their gross income on housing costs such as mortgage, taxes, rent or utilities.

Area Median Income (AMI) Defined

Area Median Income is the amount which divides the income distribution of area families into two equal groups, half of the families having incomes above the median, and half of the families having incomes below the median.

 <http://www.census.gov>

The “Area” for Stonington is New London County, exclusive of Colchester and Old Saybrook and includes parts of Canterbury and Westerly, Rhode Island (Norwich-New London, CT HUD Metro Fair Market Rent Area (FMR))

 <http://www.whitehouse.gov>

Affordable housing means different things to different people. For this report, understanding the nuance between “Affordable Housing” and “Housing Affordability” is important. An affordable mortgage, sales price or rent alone does not constitute an “affordable housing” unit by State standards, which is the reason to create a distinction in terminology.

- **Affordable Housing** involves housing that can be afforded by households earning 80 percent or less of the Area Median Income (AMI);
- **Housing Affordability**, also referred to as “workforce housing,” involves housing that can be afforded by households that earn the Area Median Income (AMI), the “working class.” An acceptable workforce housing price range is anywhere from 80 percent AMI to 120 percent AMI.
- **Naturally Occurring Housing Affordability** (NOHA), this concept involves real estate values that are relatively lower because of neighborhood characteristics (such as overall house conditions and property sizes), house size, or some other market factor (such as zip codes).
- **Protected Affordable Housing** involves housing units that are deed restricted as affordable housing, in accordance with Connecticut State Law.

The term “affordable housing” tends to be related to the State law that was created in 1989 to encourage the creation of new affordable units within Connecticut. This legislation was developed to prevent towns from abusing their zoning powers.

The *Affordable Housing Appeals Procedure*, as the law was called (Connecticut General Statutes, Section 8-30g or “8-30g”), significantly adjusted the manner in which applications are processed and how the courts review municipal zoning decisions concerning the localized impact from affordable housing developments.

Connecticut General Statute Section 8-30g established a *ten percent threshold* to distinguish when the procedure applies. Communities that have less than ten percent of the housing units as “affordable housing” are subject to the law, while communities that have ten percent or more are exempt. As a result, communities with less than ten percent may be forced to react to “affordable housing” in a manner that is not beneficial to the community’s overall housing needs.

It is important to recognize that 8-30g describes “affordable housing” as housing that can be utilized by households earning 80 percent or less of the Area Median Income (AMI), and do not have to spend more than 30 percent of their income on housing.

Area Median Income

\$74,600

Source: 2007 – US HUD

Additional terms and definitions can be found in chapter 6 of this report.

REPORT FOCUS

This report identifies the key issues that Stonington needs to work on (key strategies), along with areas where additional analysis or education is required (secondary strategies).

For Stonington, strategies to achieve the goal to address affordable housing can be characterized into four program classes:

Program Classes	Description
Regulatory	Programs that <u>require</u> affordable housing, such as mandatory inclusionary zoning.
Incentive	Programs that <u>encourage</u> affordable housing. Includes, financial (tax abatements, grants and low-interest loans) and zoning tools (density bonuses).
Development	Programs to <u>create</u> the resources to establish, promote or protect affordable housing.
Educational	Activities that <u>inform</u> residents about affordable housing topics. Working with lenders, property managers and others to discuss programs that work and how to connect households that need housing with housing

Want To Know More?

Look for this symbol and click on the text



Other Information

Look for this symbol to find tabs concerning *case studies, tools and findings*





HOUSING ISSUES

In 2007, the Area Median Income for New London County is listed as **\$74,600**. As a result, in Stonington, “Affordable Housing” involves housing units that are priced up to **\$207,000** (see table on page 9) or rented at **\$1,492** or below.

Calculating Affordable Rents

A generally accepted rule of thumb is that an affordable rent can be no more than 30 percent of a person's income. The rental figures listed to the left require rentals where all utilities and housing-related costs are factored into the monthly rate.

On the other hand, housing affordability involves households that earn the Area Median Income, which provides for the ability to purchase housing units that are priced up to **\$254,000** (100 percent AMI), or rented at **\$1,865** or below. Review of sales data for Stonington indicates that in 2007, a household needs to earn **130** percent of the Area Median Income to buy the median priced house (**\$340,000**). Current rental data was not readily available for use in this report.

The workforce housing price range in Stonington involves housing priced from **\$207,000** to **\$315,000**.

Residents Have Recognized That Housing Needs Exist ...

Recent housing value increases have not been the first indicator that housing affordability is an issue in Stonington. Survey results from the telephone survey conducted in 2004 as part of the Plan of Conservation and Development indicate that residents perceive a need for more starter homes, homes for moderate income households, as well as age-restricted housing, and may be supportive of efforts to provide housing in these categories.

Residents also seemed comfortable with the number of single-family homes and condominiums but did not appear to support the trend toward building luxury homes.

Housing-related responses from the Community Survey conducted as part of the 2004 Plan of Conservation and Development performed by the Center for Research & Public Policy

- *A majority of residents surveyed believe there are “too few” housing opportunities for first time home buyers (54 percent), “too many” luxury homes (about 54 percent), and “about the right amount” of condominiums (about 52 percent) in Stonington today.*
- *While less than a majority believe Stonington needs more housing for elderly people (about 46 percent), and housing for active adults (43 percent), a significant percentage believe there is “about the right amount” of apartments (about 47 percent) in Stonington today.*

2007 Housing Survey

The report recognizes that the 2007 survey is not a statistically valid sample of the community, but the survey provides insight into some of the concerns that people have regarding housing affordability.

A recent survey, conducted in 2007 by the Stonington Affordable Housing Committee, found that respondents were concerned about the lack of housing options, with three-quarters indicating that there are too few options today and that more diverse housing will be needed in the future.

The survey found that most of the respondents were concerned about the cost of housing (either to buy or rent) indicating that it is either *expensive* or *too expensive* and that new housing opportunities could fit into existing developed areas or the village areas of the community.

Change is occurring in Stonington

Stonington is and will continue to experience changes in the age of people that live in town and the types of housing that will be needed in the future. There are a number of indicators that highlight change:

- Household size is shrinking,
- Stonington is growing faster than the State and County,
- Single-adult and non-family households are on the rise,
- The community is aging,
- School enrollment is declining,
- Existing housing stock is expensive, and
- Earning potential is changing

Household Size Is Shrinking ...

Stonington has been experiencing a reduction in household size resulting from demographic changes towards an older population. While population growth has been modest, the reduction in household size has placed additional market pressure on housing supply.

Average Household Size

	1990 Town	County	State	2000 Town	County	State
Overall	2.40	2.59	2.59	2.31	2.48	2.53
Owner-Occupied	2.53	2.69	2.74	2.48	2.60	2.67
Renter-Occupied	2.11	2.41	2.30	1.88	2.23	2.25

1990 and 2000 Census

Stonington is Growing Faster Than the State and County ...

As described in the 2004 Plan of Conservation and Development, Stonington had a population of 17,906 in the year 2000 and grew by 987 people (about six percent) during the 1990s.

This rate of growth was greater than that for the State (about four percent) or the County (about two percent). The population of Stonington has been growing since the early 1800s and this growth is projected to continue to increase over the next 20 years.

Single and non-family households grew by five percentage points from 1990 to 2000.

These households represent 77 percent of renter occupied housing units.

Average household size has decreased about 4 percent since 1990.

Renter-occupied household size decreased 11 percent during that same period.

Single-adult and Non-Family Households are on the Rise ...

Single-parent families comprise a significant and rising percentage of all families with children under the age of 18. In addition, the 2000 census identifies a six percent increase in the number of single-person households over the previous ten years. By 2000, approximately one in three households in Stonington consisted of a single person. This has been driven largely by an aging population and by an increase in non-married individuals.

Single-Adult and Non-Family Households

	1990 Town	County	State	2000 Town	County	State
Overall	43%	41%	44%	48%	47%	48%
Owner-Occupied	Insufficient Data			36%	36%	36%
Renter-Occupied				77%	71%	74%

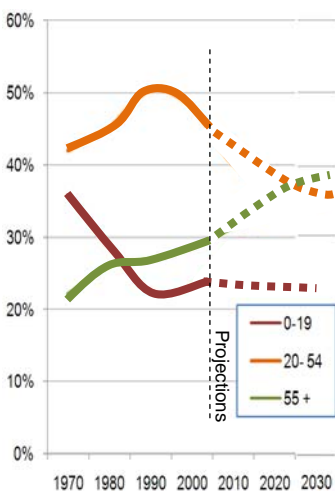
1990 and 2000 Census

Connecticut State Data Center Population Projections

Since the completion of the 2004 Plan of Conservation and Development, additional demographic information has been prepared by the State of Connecticut Data Center.

These projections represent the best available data concerning population growth estimates.

Age Composition Trends



This trend has a significant impact on Stonington's housing needs. An upward shift in single-person households, even in a period of minimal growth in the total population, will mean increased demand for housing units. Furthermore, households with single wage-earners are limited in terms of the income available for housing. This shifting household demographic means an increase in the total demand for housing as well as an upward shift in the population's need for affordable housing options.

The Community is Aging and School Enrollment has been Declining...

While overall population growth is important, changes in age composition may actually have more far reaching implications both in terms of future housing choices and community service demands.

With people living longer and healthier lives, the older age group will continue to grow. At the same time, the 'baby boom' (people born between 1946 and 1964) will enter these older age groups during the next 20 years. By the year 2020, adults aged 55 and over will comprise between 39 percent of the total population of Stonington, up from only 22 percent in 1970. In addition, since the 1970s, Stonington school-aged population has declined from about 36 percent, and this trend is expected to continue to about 23 percent of the total population.

Stonington Age Composition (1970 to 2020)

Ages	Actual 1970	1980	1990	2000	Projections 2010	2020	2030
0-4	1,454	859	1,011	993	956	973	971
5-19	4,252	3,782	2,806	3,173	3,272	3,231	3,259
20-34	3,072	3,637	3,847	2,776	2,427	2,878	2,762
35-54	3,635	3,707	4,689	5,826	5,434	4,201	4,085
55-64	1,717	1,978	1,812	2,013	2,667	2,819	2,206
65 +	1,810	2,257	2,754	3,125	3,215	3,843	4,817
Total	15,940	16,220	16,919	17,906	17,971	17,945	18,100

1970 - 2000 Census, Projections by the Connecticut State Data Center (2005)

An aging population impacts the housing needs of the community ...

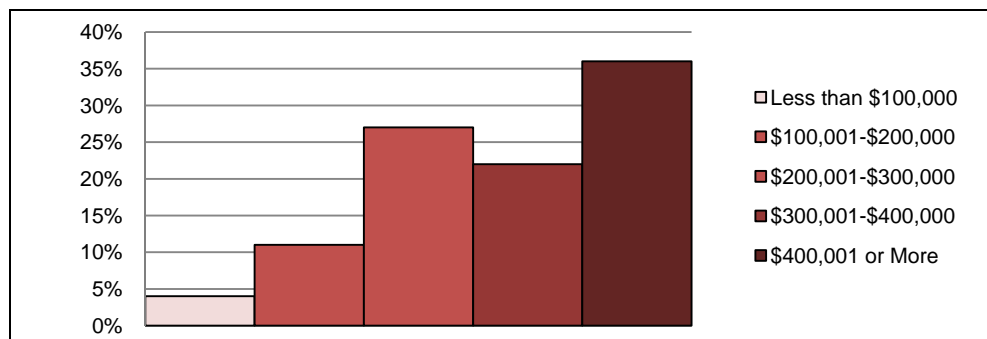
- people remain in their homes for a longer period of time than has occurred in the past, reducing the availability of homes,
- older persons have different lifestyle needs, which may not be satisfied in a mature housing stock, and
- residents may outlive their retirement savings and lose their housing.

Existing Housing Stock is Expensive ...

Affordable housing options are less accessible in Stonington than in New London County. At \$340,000, the median home price in Stonington in the year 2007 was higher than any abutting community and higher than the median for New London County.

Despite the fact that Stonington's median house price was below the state median in that year, a review of housing prices from 2007 indicates that a higher percentage of homes were sold in Stonington for \$400,000 or more (36 percent), at a rate higher than both the State (28 percent) and County (14 percent).

2007 House Sales Prices



While only a representative “snap shot” in time, the chart above depicts what homebuyers are purchasing in Stonington, not necessarily what is on the market. This chart is part of the anecdotal evidence that initiated the planning effort.

Further, a smaller percentage of homes in Stonington were sold for under \$300,000 (42 percent), compared to the percentage sold for that price in the State (56 percent) or New London County (68 percent).

Stonington Household Income - 1999

	# of house- holds	%
Less than \$10,000	483	6%
\$10,000 - \$14,999	283	4%
\$15,000 - \$24,999	829	11%
\$25,000 - \$34,999	794	10%
\$35,000 - \$49,999	1,192	16%
\$50,000 - \$74,999	1,700	22%
\$75,000 - \$99,999	1,046	14%
\$100,000 - \$149,999	822	11%
\$150,000 - \$199,999	236	3%
\$200,000 or more	282	4%

Total Households 7,667

2000 Census;
Percentages may not add up to 100 due to rounding

Earning Potential is Changing ...

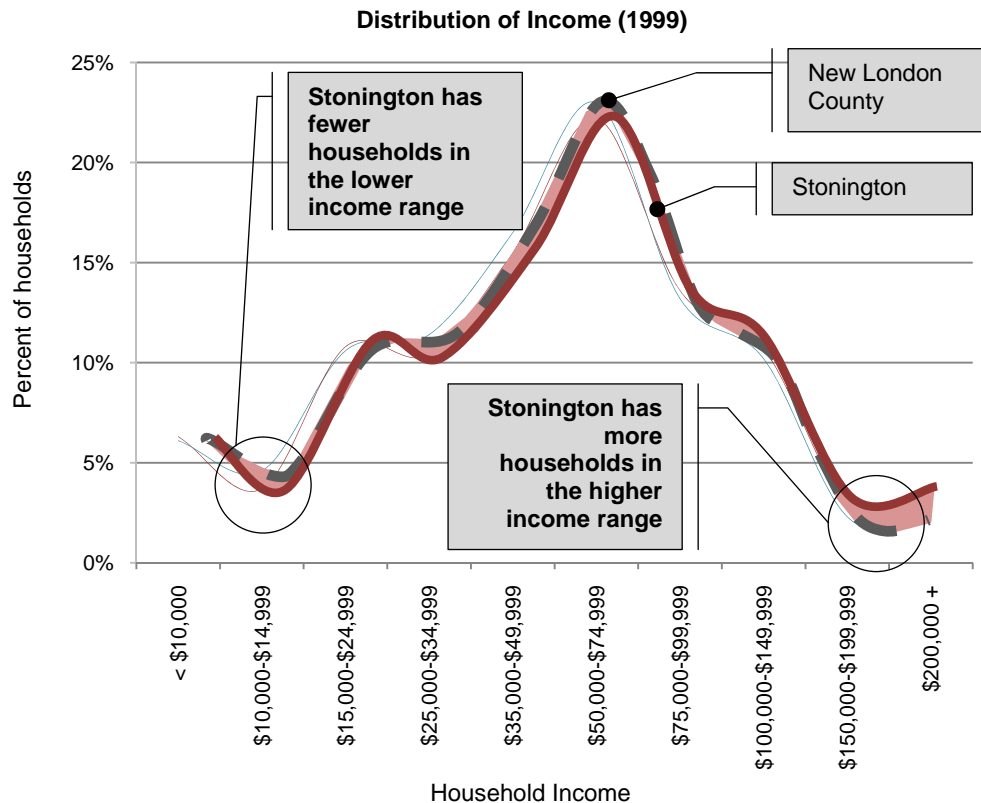
The regional economy of southeastern Connecticut has changed significantly since the early 1990's. An economy dedicated largely to defense manufacturing is becoming an economy focused on service and tourism sector employment.

A negative aspect of this shift is that overall earning potential of employed individuals in the region has declined. In the report *Housing a Region in Transition*, commissioned by the Southeastern Connecticut Council of Governments (SCCOG), found that in 2000, the average annual wage of the region's manufacturing employees was nearly twice the average annual wage of the region's service and tourism workers.

This shift will continue to affect a growing population of workers whose wages are not sufficient for them to afford suitable housing options in the region. Further growth in the region's service sector will increase the need for affordable housing options.

Stonington's median income slightly exceeds the median income of New London County, and the household distribution of income closely resembles the county trends, with Stonington experiencing a slightly higher percentage of residents in the upper income ranges, as illustrated below.

Because the income data is old, this is an area that Stonington will have to monitor and update as new information becomes available.



INCOME CONSTRAINTS

A household's ability to purchase a house is constrained by a number of variables:

- Elements of personal responsibility and control, such as household income, personal and household debt accumulation, capacity to make a down payment and credit score,
- Condition of the local economy, such as local housing market conditions (supply versus demand), community tax structure, and employment-related elements such as unemployment.
- Condition of the financial markets, such as interest rates at the time of purchase, down payment requirements, and lending risk management strategies (are lenders willing to take the risk).

Residents of Stonington and New London County have not been able to keep up with rising housing prices, as regional median incomes have increased **46** percent while the median sales priced house in Stonington has increased **139** percent from 2000 to 2007.

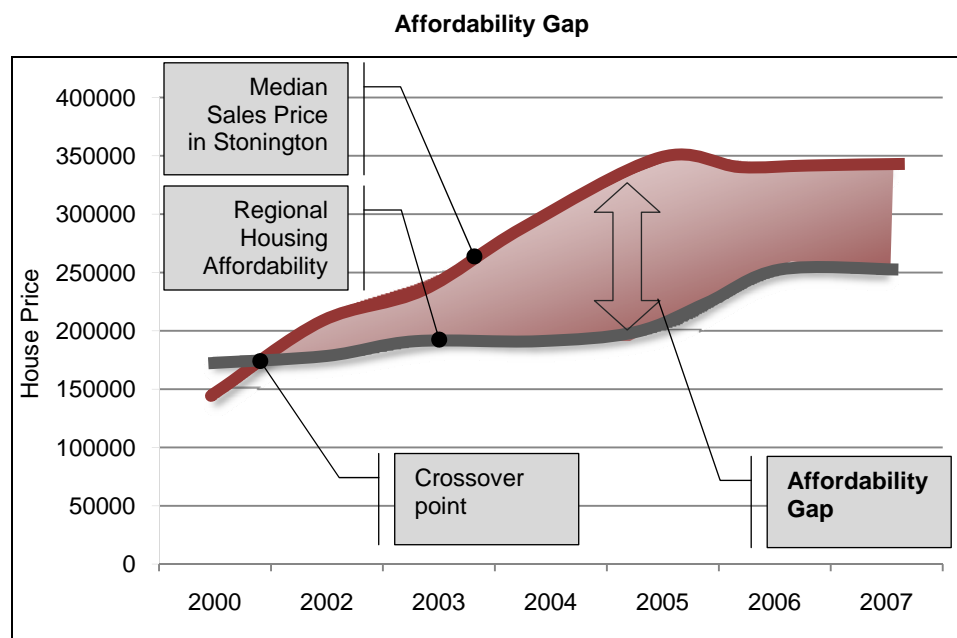
Median incomes support a regional housing affordability (100 percent regional median income) that ranges from \$175,000 in 2000 to just over \$250,000 in 2007. Meanwhile, Stonington median sale prices rose from just under \$150,000 to \$340,000 during that same period, with a crossover point around 2001, Stonington changed from a community with housing affordability to one that has become increasingly inaccessible to households earning the median income.

How Affordability Is Constrained by Lack of Income and Debt Payments

Conventional mortgage underwriting guidelines limit the maximum amount that can be allocated to mortgage payments to 28-30 percent of total income. In addition, the maximum amount that can be allocated to all debt payments (including mortgage payments) is 36 percent of total income.

These rules, combined with the amount of debt already accumulated and the amount of cash available for the down payment limit the ability to purchase a house.

Stonington's Median House Sale Price in 2007 (\$340,000) requires a household income of \$96,200, 130 percent of the Area Median Income



To understand what affordable housing and housing affordability represent in today's dollars, the following information was gathered, based on standard lending practices, with assumptions (listed below) to enable a determination of the housing value that various income ranges can afford.

Percent AMI	Housing Value	Assumptions
30% \$22,380	\$74,000	\$10,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$1,500 taxes; \$250 insurance
60% \$44,760	\$154,000	\$20,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$2,000 taxes; \$500 insurance
80% \$59,680	\$207,000	\$40,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$3,000 taxes; \$500 insurance
100% \$74,600	\$254,000	\$40,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$4,000 taxes; \$750 insurance
120% \$89,520	\$315,000	\$60,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$5,000 taxes; \$1,000 insurance
130% \$96,886	\$340,000	\$60,000 down payment; 5.75 percent fixed rate – 30 year term; \$0 debt; \$5,000 taxes; \$1,000 insurance
<div> <div></div> Very Affordable Housing <div></div> Workforce Housing </div> <div> <div></div> Affordable Housing <div></div> Luxury Housing </div>		

2007 AMI = \$74,600
Source: US HUD; Warren Group

CHALLENGES

This report represents change, which can be a challenge. The implementation strategies involve a change of focus from observation of the problem to reaction to the problem. Numerous studies have identified that change can be upsetting as people fear change.

Protecting and promoting affordable housing is a challenge. Some members of the community may not have an appreciation of the value that diversity adds to the community. For any future housing plan to be successful, the strategies have to be promoted by residents and officials alike. This requires recognition that affordability is a problem, and that the solutions require broad participation.

FINDINGS

MISCONCEPTION: Apartments Do Not Pay Their Own Way

Some people believe that apartment residents do not pay for the public services they use because they do not pay property taxes.

While renters do not directly pay property taxes, apartment owners do. Apartment residents also pay a variety of other state and local taxes that contribute significantly to local jurisdictions (including motor vehicle taxes).

The National Association of Home Builders estimates the first-year benefits of building 100 multifamily homes in a typical town is \$4.8 million in local income and the ongoing, annual impact is \$1.35 million in local taxes, fees and business receipts.

 <http://www.nmhc.org>

FINDINGS

MISCONCEPTION: Schools Will Be Inundated

Some people believe that affordable housing will inundate the school system and cause taxes to rise, as the majority of school costs are covered by the town. Studies have indicated that a single family housing unit will have about twice the average impact on school systems from school aged children than from any form of multifamily housing unit. Each single family unit, on average, produces 0.64 school age children while an apartment will produce about 0.21 children per unit, depending on the number of bedrooms.

Household sizes have been on the decline for decades. According to the US Censuses of 1990 and 2000, average household sizes in Stonington for owned housing units declined during the nineties from **2.53** persons to **2.48** persons. For those renting, the decline was from **2.11** persons in 1990 to **1.88** persons in 2000. In addition, **77** percent of rental units in Stonington were occupied by Single-Adult and Non-Family Households.

 <http://www.uli.org>

3

KEY STRATEGIES

Key strategies involve projects and ideas that will have a lasting impact on the affordable housing effort.

For Stonington, there are four key strategies, which are described in detail in this chapter:

- Protecting Existing Affordable Housing,
- Require Affordable Housing in New Development,
- Convert Naturally Occurring Housing Affordability into protected Affordable Housing, and
- Develop New Affordable Housing Units
- Provide Direction for CGS Section 8-30g Proposals

Tasks related to each of these strategies are compiled at the end of the strategy description.



Stonington Arms



New Development



Starter Home



Potential Redevelopment Site

>> STRATEGY

Protect Existing Affordable Housing

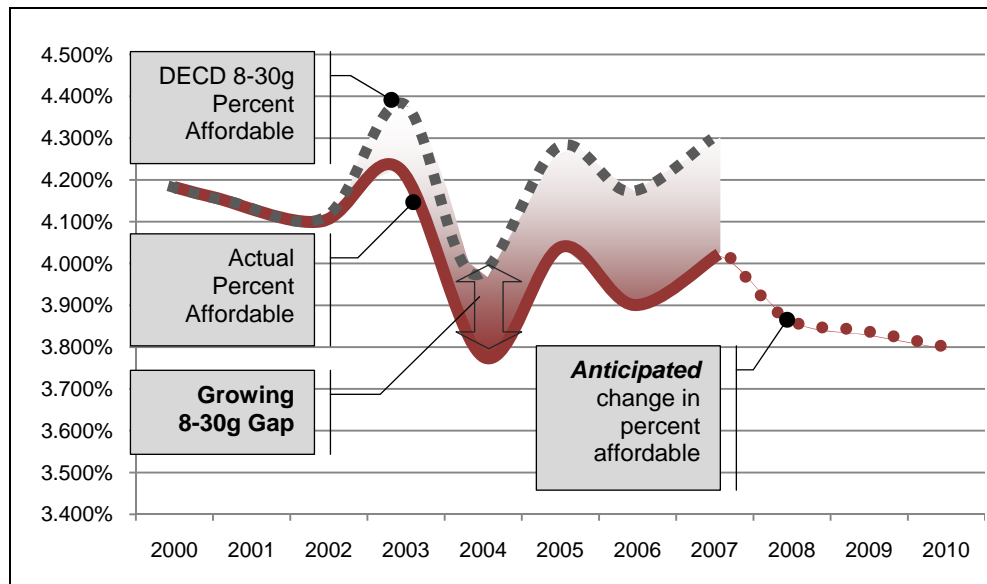
Stonington is currently recognized as having **4.28** percent of the housing stock as affordable. State definitions of affordability allow Stonington to compare the existing affordable housing units to the number of housing units that were counted as part of the 2000 Census, eight years ago.

Stonington is losing ground on the 10 percent overall goal ...

Since 2000, Stonington has added **545** new housing units and **zero** new dedicated affordable housing units, resulting in an updated percentage of **4.02** percent.

If Stonington continues to build new housing units that do not qualify as affordable, the percentage of housing units that are affordable will continue to dip, moving us further away from the overall 10 percent goal, and creating an "8-30g Gap" as illustrated below. Because of the way the state counts affordable units, by using 2000 total housing units data, Stonington is currently being recognized as having a greater percentage of the units as affordable than really exists.

The 8-30g Gap



Percent Affordable

The Connecticut General Statutes allows communities to use housing unit information from 2000 when calculating the percent affordable within the community.

2000	
Housing Units	8,591
Total Affordable	368
Percent Affordable	4.28%

CT DECD 2/1/2008
<http://www.ct.gov/ecd>

When you evaluate the number of affordable units based on updated housing unit counts, the actual percentage of affordable units is reduced to 4.02 percent.

1/2007	
Housing Units - 2006	9,136
Total Affordable	368
Percent Affordable	4.02%

Stonington Permit data from 2000-2006

There is a real concern that Stonington could lose the base inventory ...

This trend can be made worse if the dedicated units that we are counting on to remain affordable are converted into market rate housing. The existing stock of affordable housing units (base inventory) is **368** units. 295 units are part of housing developments, while 73 are individual housing units. **60** units are publicly owned.

Considering **83** percent of the affordable housing units in Stonington are in private ownership and control, it is important for the community to take steps to make sure these units are part of the long-term affordable housing portfolio, otherwise the 10 percent overall goal will be even harder to achieve.

Currently, there are no protected affordable housing units and a limited number of government assisted housing units in Stonington. Government assistance comes from a variety of State and Federal programs that have been designed to keep housing costs low. Units can be part of a housing development or individual housing units.

Within the governmentally assisted unit classification, three developments make up about **90** percent of the designated units. While two developments are restricted specifically to seniors, one (Brookside Village) also has units available for families.

Existing Affordable Housing Developments

Project Name	Address	Total Units	Family	Elderly ¹
Brookside Village	Brookside Lane	160	70	90
Edith K. Richmond Homes ²	Sisk Drive	60	0	60
Stonington Arms	South Broad Street	75	0	75
Total		295	70	225

Source: DECD Affordable Housing Appeals List, 2006;

¹ Disabled adults are also authorized under federal law.

² Only publicly owned units

15 percent (56 units) of Stonington's "affordable housing" units are a result of special financing through either the Connecticut Housing Finance Authority (CHFA) or the Farmers Home Administration (FmHA). While this may appear to be a small number, these mortgages represent **77** percent of the non-development related affordable units (73 units).

CHFA and FmHA financed units are highly susceptible to transfer to market rate units as these properties are not protected affordable housing units. On average, In Stonington, about **8** new homebuyers use the program each year, but only **53** percent of the **87** CHFA and FmHA mortgages issued since 1997 are still active.

TASKS

WHAT	WHY	PROGRAM CLASS
1. Provide a density bonus for existing affordable housing developments.	With reductions in federal and state rental subsidies, existing affordable housing units may not have sufficient revenue to remain affordable. Allowing more units on an existing site may reduce the operating costs per unit, making it cost-effective to retain affordable housing on the property.	INCENTIVE
2. Provide tax abatements for existing affordable housing developments.	To encourage a long-term commitment to provide modernized dedicated affordable housing units. While tax abatement programs do not reduce costs to the community these programs are a way to reward activities that meet community goals.	INCENTIVE
3. Identify governmental and private funding sources to remodel existing affordable units to ensure that they remain protected.	Often the transformation of affordable units into market rate units occurs because of the costs related to renovation. Many of the units in the affordable housing developments are old and require costly renovations. Stonington should work to find ways to reduce the per unit renovation costs.	DEVELOPMENT
4. Extend affordability restrictions.	Work with property owners to find ways to extend the affordability restrictions on protected units. This task may involve providing additional funding to the property owner in return for the affordable housing restriction.	INCENTIVE

TOOL

Tax Abatements

Connecticut Municipalities are authorized by Connecticut General Statutes Section 12-65b to provide tax abatements for the following activities: (1) office use; (2) retail use; (3) **permanent residential use**; (4) **transient residential use**; (5) manufacturing use; (6) warehouse, storage or distribution use; (7) structured multilevel parking use necessary in connection with a mass transit system; (8) information technology; (9) recreation facilities; or (10) transportation facilities.

Tax abatements can be provided to existing or new facilities. The amount of the tax abatement in any given year can be determined by the community but the term of the tax abatement is limited to maximums established by the Statutes.

The ability to provide tax abatements rests with the legislative body of the town. In Stonington, the Town Meeting serves as the legislative body and would be responsible for determining, on a case-by-case basis, if a tax abatement is the correct tool.

 <http://www.cga.ct.gov/2007/pub/Chap203.htm#Sec12-65b.htm>

>> STRATEGY

Require Affordable Housing in New Development

“Build Out”

In 2004, as part of the Plan of Conservation and Development, Planimetrics estimated that Stonington has the capacity to realize an additional 3,530 housing units at full build out (based on zoning regulations and undeveloped acreage at that time and not including multi-family residential).

As mentioned above, new housing units are eroding the base inventory (percentage-wise) of affordable housing. **100** percent of new housing units added since the 2000 Census are market rate units, and as a result, Stonington is hovering at four percent affordable. Of that total, **93** percent of the new units were single-family residences, typically the most expensive housing option.

As depicted in the chart below, in order to make progress towards the overall 10 percent goal, **556** additional affordable units would be needed based on the current housing unit total. Over **28** percent of new housing units added in the future would have to be affordable to catch up and provide for 10 percent at projected build out (see side bar).

How Many Affordable Units Will We Need?

	Number of Units	Percent of all units
Current Total Housing Units	9,136	100%
Current Affordable Housing Units	368	4.02%

Build-out Numbers

Additional single-family units anticipated	2,964
Total Housing Units ¹	12,100

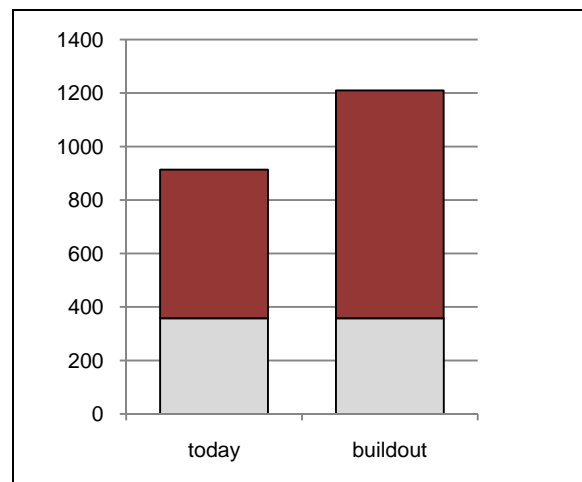
Future Affordable Housing Units

Units Needed for 10 Percent Overall Goal	1,210
Units That Need to be Added	842

Source: 2006 Housing Appeals List, DECD; Build-out numbers by Planimetrics (Single-family residential)

¹ Total housing units does not include any new multi-family developments because an estimate cannot be generated at this time

Affordability Goal



As illustrated in the chart to the left, Stonington has 368 current affordable housing units. At full build out the number of units required to satisfy the 10 percent goal is **1,210**, which increases the gap between existing and desired by **54** percent if no new units are created.

Existing Units
Desired Units (10% goal)

Zoning Can Support Diverse Housing Types

The concept of zoning was envisioned as a tool to provide separation of incompatible land use activities. The scope of control evolved to regulate the types of densities that are allowed, and the interaction of private space and public space through the management of “bulk” elements, such as building size, height and setbacks from property liens.

The next zoning evolution involves the creation of incentives to further public policy. These incentives can alleviate some of the market forces that prevent community goals from being achieved, such as by providing additional density to enable housing affordability.

To prevent further erosion of the base inventory of affordable housing units, Stonington should require that new developments provide affordable housing as part of the development. Called “Inclusionary Zoning” (see sidebar), Stonington has the ability to require the development community to assist us in the goal to provide affordable housing within community.

As a community, Stonington has options as to how this strategy is implemented, Stonington can:

- require a percentage of all new units in any residential project to be deed restricted as affordable (typically between 15-25 percent);
- allow developers to pay a fee in lieu of affordable housing if providing new units is a severe hardship; and/or
- charge a fee for all new zoning permits related to new construction.

Inclusionary Zoning (IZ)

Inclusionary zoning requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. Often, in return, developers receive non-monetary compensation-in the form of density bonuses, zoning variances, and/or expedited permits - that reduce construction costs.

By linking the production of affordable housing to private market development, inclusionary housing expands the supply of affordable housing while dispersing affordable units throughout a community to broaden opportunity and foster mixed-income neighborhoods.

It also allows innovative communities to counter declining public-sector investment in affordable housing, create housing for their workforce, and enable low- and moderate-income families to benefit from community reinvestment.

 <http://www.policylink.org>

TASKS

WHAT	WHY	PROGRAM CLASS
1. Adopt an inclusionary zoning regulation requiring deed-restricted affordable housing, in accordance with State Statutes, in all residential development.	<p>A 25 percent inclusionary zoning requirement would stabilize the overall percent of affordable units by (1) increasing the number of affordable units at a greater rate than 10 percent overall goal, and (2) slowly closes the affordability/market rate gap. As part of implementation of this strategy, Stonington might consider:</p> <ul style="list-style-type: none"> ■ Allowing for a fee in lieu of affordable housing for smaller projects. ■ Providing density bonuses to encourage affordable housing in key areas (see Tier Map on Page 23) 	REGULATORY
2. Require an “inclusionary housing fee” for all development.	<p>As described in the case study below, Stonington could charge an affordable housing fee for all new zoning permit applications. While New Canaan’s fee may not be the right way to implement this strategy in Stonington, it is clear that this has been an effective tool to create funding for affordable housing.</p>	REGULATORY

CASE STUDY

Inclusionary Housing Fee

New Canaan, CT (population 19,395) adopted a zoning regulation that requires all applications for a zoning permit for any new building construction or addition (excluding interior renovation) in any zone shall be accompanied by an inclusionary zoning fee of \$10.00 per \$1,000 of construction value, to be paid into a housing trust fund to be used for constructing, rehabilitating or repairing housing affordable to persons and families of low and moderate income.

In the six months since this regulation was adopted, the program has generated \$330,000 in revenue for the Housing Trust Fund. The trust fund has been established to isolate the revenue from general government accounts. The New Canaan Housing Authority is presently requesting \$200,000 to update the conditions of the senior housing complex (a town operated affordable housing facility).

>> STRATEGY

Convert NOHAs into Protected Affordable Housing Units

While Stonington has a number of housing units that have sold for less than the median value, these units are not protected as affordable units, and are not eligible to be counted as “affordable housing.” When a unit is not protected, market influences can greatly affect the value of the property, to the overall detriment of the community as this unit may no longer be accessible to the working class.

Don’t we already have enough affordable housing?

Often people cite anecdotal evidence about less expensive housing sales as a reason not to be concerned about housing affordability. The reality is much more complex and involves reasons why certain housing units are less expensive and whether these units will remain affordable.

NOHAs, or Naturally Occurring Housing Affordability, (see sidebar) involves housing units that are currently accessible to the working class. The sale of these units may have been at, or below the median value for a number of reasons, including:

- housing unit was sold to a family member at a discounted price;
- housing unit is in a poor state of repair;
- housing unit size or property size is below average;
- housing unit is part of a multifamily building; and
- the location of the housing unit within the community.

Why is this important?

Converting existing market rate housing units into protected affordable housing units is desirable because it is an opportunity to a) create affordable housing without increasing housing density, b) “catch up” to the 10 percent goal because no new units are created, c) rehab and repair structures in need of such improvement and d) prevent the negative impacts of gentrification.

What can we do?

A strategy to increase affordability might include identification of houses that are in a poor state of repair, are below average size and/or are located within particular areas of the community, to convert these units into deed restricted units, before they become gentrified (see sidebar).

This program could operate in a manner similar to a revolving loan program, where money is used to purchase a house, a deed restriction is placed on the property and the house is then returned into the housing market (most likely at a reduced price). The cost to protect the unit is the difference between the initial purchase price and the final post deed restriction sale price.

The potential NOHA map on page 22 is based on housing sales and income information from the 2000 US Census,

“Naturally Occurring” Housing Affordability

The concept of “naturally occurring” housing affordability (NOHA) involves real estate values that are relatively lower because of neighborhood characteristics (such as overall house conditions and property sizes), house size, or some other market factor (such as zip codes).

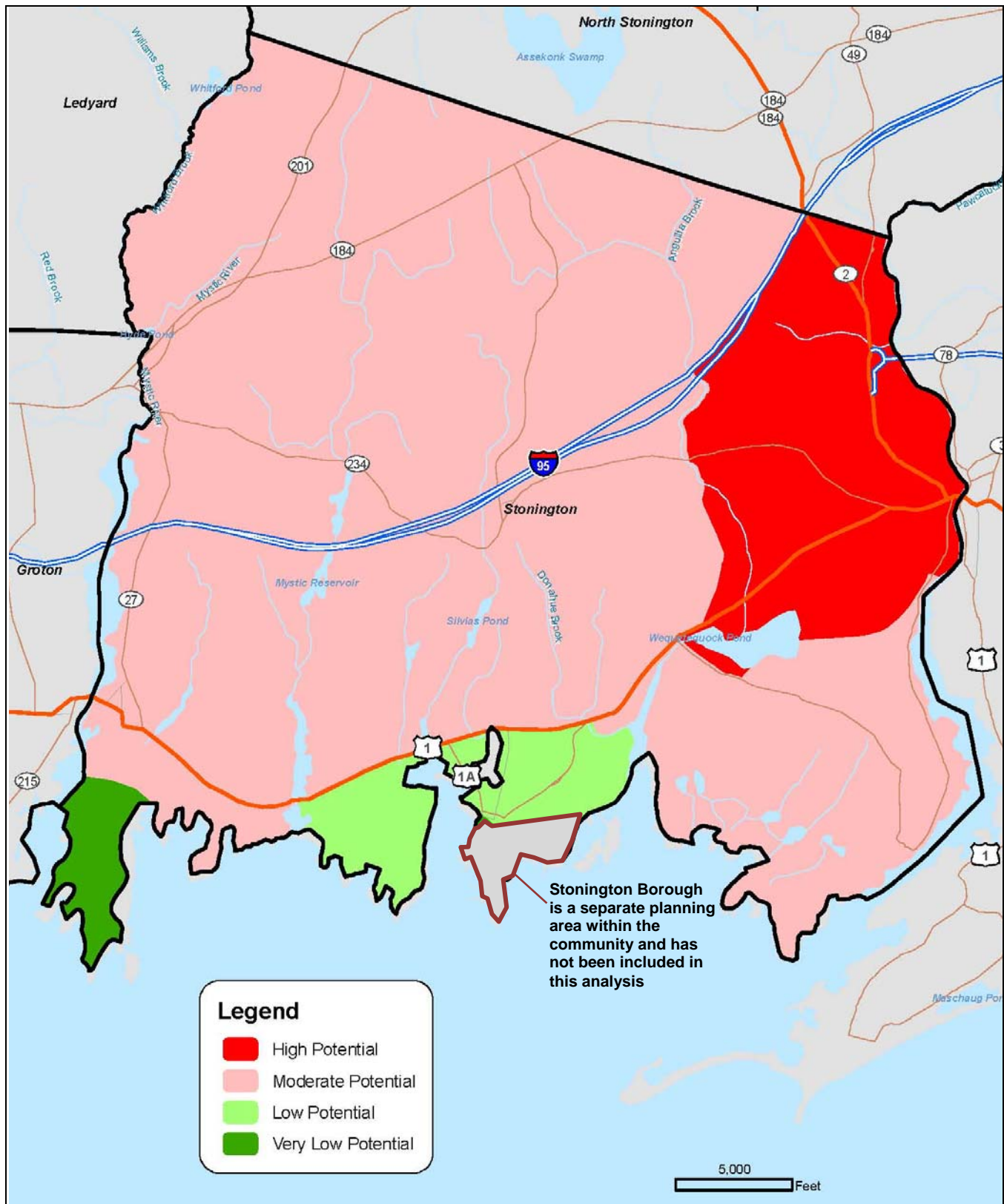
Gentrification

Gentrification is a situation in which, over time, neighborhoods with “naturally occurring” housing affordability neighborhoods are converted into more upscale communities with wealthier residents.

In communities with high property values, gentrification is more likely to occur because homebuyers are interested in finding a way to “buy” into the community.

The negative aspect of gentrification is that it can displace residents that relied on the “naturally occurring” affordability.

POTENTIAL NOHA AREAS



TASKS

WHAT	WHY	PROGRAM CLASS
1. Develop a program to convert “naturally occurring” affordable housing units into deed restricted units.	This strategy would provide Stonington with the ability to “catch up” as a market rate unit would be replaced with a deed-restricted unit.	DEVELOPMENT
2. Provide incentives to convert existing accessory apartments into deed restricted units.	Accessory apartments are an excellent affordable housing option. This strategy would also provide Stonington with the ability to “catch up” as a market rate housing unit would be replaced with a deed-restricted unit. Payments made to convert accessory apartments into a deed restricted unit may also help an elder resident age-in-place.	DEVELOPMENT
3. Identify tax delinquent properties, and evaluate them for use as affordable housing.	As properties become severely delinquent, Stonington should adopt a policy to route the parcel information through various agencies to determine if it might serve a municipal need or function prior to a tax sale or auction.	DEVELOPMENT
4. Sponsor education programs for first time home buyers and real estate professionals to encourage the utilization of CHFA and FmHA loan programs	First time homebuyers may not be aware of the variety of programs available to assist them with a purchase of a home. In addition, there may be some form of stigma attached to the concept. Education of buyers and real estate professionals is an important role that Stonington should play.	EDUCATION

TOOL

CHFA Homebuyer Loan Program

Homebuyer Mortgages are 30-year, fixed rate loans, carrying an interest rate below comparable market rates. Homebuyer Mortgages are available to first-time homebuyers with low or moderate incomes who are buying moderately priced homes within CHFA sales price limits or persons who have not had an ownership interest in a home in the previous three years.

Homebuyer Mortgages are available to first time homebuyers with low or moderate incomes who are buying moderately priced homes within CHFA sales price limits or persons who have not had an ownership interest in a home for the previous 3 years.

 <http://www.chfa.org>

>> STRATEGY

Develop New Affordable Housing Units

“Village Core”

Includes the historic villages of Mystic (ship-building) and Pawcatuck (industrial mills). Stonington Borough (fishing) is also a village core, located outside the main study area.

The core areas represent the traditional centers of the villages. These areas typically contain mature development at a higher density and mixture of land uses.

“Village Fringe”

Consists of areas east of the village of Mystic and west of the village of Pawcatuck which have developed with a mixture of business uses as an extension of the village commercial areas.

The village fringe areas lie just beyond the boundaries of the traditional village style settlement pattern. These areas are developing at a moderate density and are more likely to have been recently developed and may exhibit some strip-type development patterns.

Village Core and Village Fringe are terms used within the 2004 Plan of Conservation and Development

Stonington should take an active leadership role in developing new affordable units. Because of land values and construction costs, affordable housing requires higher densities to overcome the development costs. Higher density neighborhoods are most appropriate when they are located close to goods and services, jobs, transit and utilities.

Ideally, locations for new affordable units should involve “infill development.” Infill development utilizes existing utility and highway infrastructure and incorporates affordable housing into mixed-use and mixed-income neighborhoods. This development technical can preserve open space and may curtail development on vacant land.

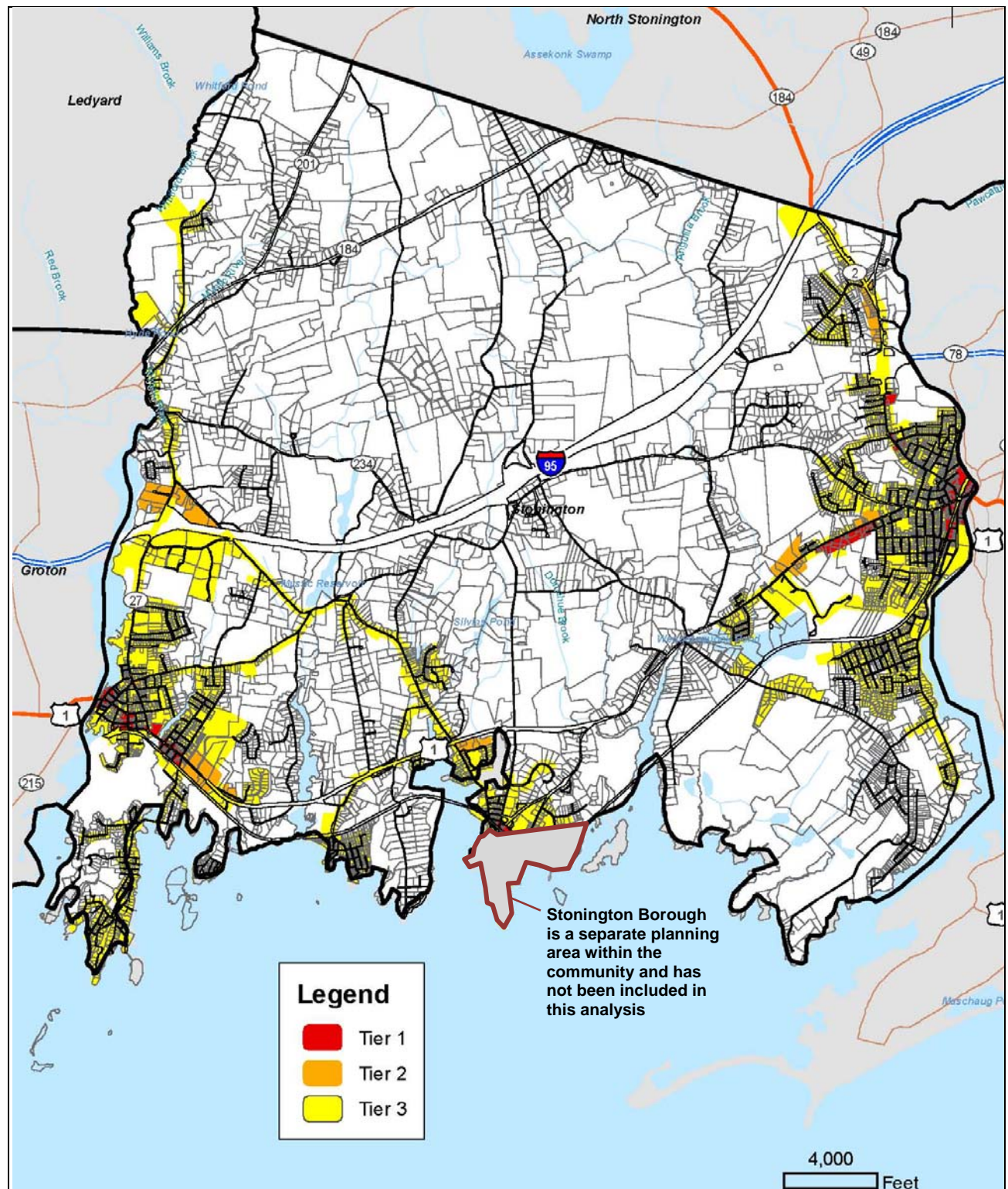
To manage this opportunity correctly, Stonington should establish criteria as to where this type of development would be most appropriate; for example, based on:

- Existing land use activities (use and density);
- Existing zoning designation (preferably zoned commercial);
- Access to a public water supply;
- Access to the municipal sewer system; and
- Access to transportation and transit.

Most of these features are found within existing village areas within a community. Potential areas for infill development in Stonington might include the following classification system:

- Tier 1 – These properties are located in the “village cores” (see sidebar) of Pawcatuck and Mystic. Tier 1 properties are ideally situated because the villages are already more dense than other parts of the community, utilities are available and services and job opportunities are within walking distance. Tier 1 areas include properties which are currently zoned DB-5 (commercial Development Area) and LS-5 (commercial Local Shopping). It is envisioned that mixed-use development of commercial uses on the first floor and residential uses on the upper floor would be ideal in these locations.
- Tier 2 – These properties have access to public sewer and water and are located along transit routes. While not as ideally situated as Tier 1 properties, they have access to utilities, transit and village attributes, such as services and jobs. Tier 2 properties areas adjacent to the villages and often within the “village fringe” (see sidebar) and areas adjacent to developed areas. It is envisioned that mixed-use development of commercial uses would occur along the highway and residential uses would be located above the commercial uses, or in the interior / rear portions of these sites.
- Tier 3 – These properties have access to public sewer and water, but may not be as well situated as Tier 1 and Tier 2 parcels. Access to services, jobs, transit routes utilities, and highways are adjacent to these areas.

POTENTIAL TIERS



Potential Adaptive Reuse Sites

The following buildings may be appropriate for adaptive reuse into affordable housing:

- The Armory – Summit Street Mystic;
- The Stillman Avenue Mill – Stillman Avenue, Pawcatuck;
- The Grain Elevator – Coggswell Street, Pawcatuck; and
- Thread Mill – River Road, Pawcatuck.

Identify Tax Delinquent Properties

Stonington could develop a strategy to evaluate the use of tax delinquent properties for affordable housing. The policy might provide that when Stonington forecloses on delinquent tax properties, the property would be available for the development of affordable housing units, either by the Town, a non-profit or a for-profit developer. Based on past tax delinquencies, many of these properties will be small, possibly non-conforming lots which might be ideal for the development of one or two units of housing

Utilize the Incentive Housing Zone Tool

Stonington could take a leadership role by adopting Connecticut's newest land use tool, the Incentive Housing Zone (IHZ). Created in 2007 by the Connecticut General Assembly, the program provides cash incentives to municipalities that establish zoning districts for affordable housing and then allow units to be built.

The IHZ districts have to meet the minimum density requirements established in the law and towns must provide a manageable permit process. Ideal locations to use this tool include infill within the village centers, at adaptive reuse sites and along transportation and utility corridors.

Adaptive Reuse

Adaptive reuse involves the re-use of underutilized buildings for mixed uses. Adaptive reuse has become a popular community development strategy in Stonington as several mill sites, including the Packer Mill in Mystic, have been converted using one of Stonington's two land use tools designed for this purpose: Rehabilitation of Existing Buildings (Zoning Regulation Section (ZR) 6.6.14) and the Industrial Heritage Reuse District (ZR 7.19). While Stonington has zoning tools designed for adaptive reuse, these tools may not provide sufficient incentives to create affordable housing, and the tools should be reviewed specifically for this purpose. Also, Stonington should work to identify appropriate buildings for adaptive re-use into affordable housing (see sidebar).

TASKS

WHAT	WHY	PROGRAM CLASS
1. Take a development role in creating new units.	The development community has focused on the development of market rate housing and there is a need for affordable housing. Stonington should take a leadership role in furthering the overall goal of this report.	DEVELOPMENT
2. Identify tax delinquent properties, and evaluate them for use as affordable housing.	Tax delinquent properties involve land which can be obtained below market value and without an initial capital outlay (provided the community is willing to pursue this policy). This can be an inexpensive implementation strategy.	DEVELOPMENT
3. Utilize the Incentive Housing Zone (IHZ).	The IHZ tool provides the community with a "reward," albeit small, for providing affordable housing. If Stonington is going to provide affordable housing, take the State's incentives.	INCENTIVE
4. Promote the inclusion of affordable housing in the adaptive reuse of older buildings	Stonington has already developed tools for adaptive reuse, but these tools focus on the limits of existing building and do not promote affordable housing. Consider allowing additions to these buildings if affordable housing is provided.	DEVELOPMENT

TOOL

Incentive Housing Zone (IHZ)

A new land use tool has recently been developed to encourage additional affordable housing units in the State of Connecticut. The new *HOMEConnecticut* statute - the Connecticut Housing Program for Economic Growth - provides financial incentives to towns that create overlay zones (Incentive Housing Zones) which allow for mixed-income housing at higher densities. This statute provides:

- Authorization to create incentives for municipalities that create zones allowing higher density housing and that issue building permits in those zones.
- \$4 million for technical assistance and planning grants to towns, non-profit developers, housing assistance organizations and regional planning agencies and for zoning and building permit incentive payments.
- Authorization for a focused Blue Ribbon study of housing development barriers, additional incentives for municipalities, the need for rental assistance for low-income residents, and ways to improve state housing finance.



<http://www.homeconnecticut.org>

>> STRATEGY

Provide Direction for CGS Section 8-30g Proposals

Summary of C.G.S. Section 8-30g Affordable Housing Appeals Procedure

Ten percent of all housing units in a community must be affordable to households earning 80 percent or less of the regional median household income (\$74,600 in 2007).

According to the Connecticut General Statutes, "Affordable Housing" means housing that is:

- subsidized housing,
- financed by CHFA or other mortgage assistance programs; or
- is deed restricted to affordable prices.

About 4 percent of Stonington's housing stock meets these criteria and this is below the State threshold of 10 percent affordable housing units in a community.

As a result, Stonington is subject to the State Affordable Housing Appeals Procedure (CGS Section 8-30g) which allows developers of affordable housing developments considerable regulatory flexibility (including increased density) as part of their development proposal.

While there is no state mandate to provide "affordable housing", Connecticut General Statutes Section (CGS) 8-30g can place pressure on Connecticut communities that fail to provide a minimum of 10 percent of all units as affordable housing units.

This pressure results from the process in which communities are required to evaluate projects, and the manner in which the courts have determined how the law is to be enacted. CGS 8-30g essentially reassigns the burden of proof on a land use development from the developer to the community (i.e. the land use commissions).

While not an enforceable solution, Stonington should try to guide affordable housing development to areas identified in the Tier Map located on page 23. These areas have the infrastructure to support higher density housing and have been selected based on principles identified in the State Plan of Conservation and Development.

TOOL

State Plan of Conservation and Development (C&D Plan)

While the State C&D Plan is not intended to be a regulatory document, the text elements of the plan identify important strategies to guide growth within the State.

Because of recent changes in how state funds will be distributed, communities that rely on these principles should receive favor when projects are consistent with the C&D Plan.

 <http://www.ct.gov/opm>

TASKS

WHAT	WHY	PROGRAM CLASS
1. Work with developers, to provide direction for 8-30g proposals	While this strategy will not prevent or discourage developers from using the 8-30g tool, working with developers enables the community to shape the development and encourage sensitive design elements and consideration.	EDUCATIONAL
2. Use the Tier Map as a tool to guide developers to areas that have infrastructure for housing.	The Tier Map concept provides Stonington with an opportunity to identify areas within the community that have the infrastructure (water and sewer) and access (public transportation connections, or within walking to the villages) for additional housing.	EDUCATIONAL

4

SECONDARY STRATEGIES

Secondary Strategies involve ideas that may require additional analysis or education to prepare the community for implementation. These strategies, while effective, may not have the same anticipated outcomes and should be prioritized differently than the key strategies.

Secondary Strategies:

- Provide affordable housing for elderly residents,
- Provide workforce housing,
- Diversify housing choices,
- Provide direction for 8-30g proposals,
- Partner with others, and
- Promote awareness.

Tasks relating to these strategies are compiled at the end of this section.



Emergency Responders



Teachers



Housing Choice



Partnerships

>> STRATEGY

Provide affordable housing for elderly residents

“Age in Place”

Enabling elder residents to stay in their homes comfortably, safely and independently as they age, regardless of physical challenges.

An aging population impacts the housing needs of the community ...

- people remain in their homes for a longer period of time than has occurred in the past, reducing the availability of homes,
- aging homeowners do less to maintain their homes,
- aging residents require additional healthcare services which requires workers to perform those services,
- older persons have different lifestyle needs, which may not be satisfied in a mature housing stock, and
- alternative financial solutions are needed to “out live” the retirement savings.

With people living longer and healthier lives, the older age group will continue to grow. At the same time, the ‘baby boom’ (people born between 1946 and 1964) will enter these older age groups during the next 20 years.

By the year 2020, adults aged 55 and over will comprise up to **39** percent of the total population of Stonington, up from only **22** percent in 1970. More residents that are elderly will constrain the number of housing units that are in the market and increase the demand for workers. A reduction in supply and an increase in demand will further stress housing affordability.

Why do we care?

As depicted in the housing spectrum below, as elderly residents become frail, the need and types of assistance increases. In addition, elder residents often rely on fixed incomes and they may not have the ability to react to increasing property values and property taxes.

Housing Spectrum

LESS FRAIL						MORE FRAIL
Residential					Medical	
Self Directed			Supervised		Managed Care	Chronic Care
Independ- ent Living	Special- ized Apartment	Congre- gate Housing	Licensed Residential Care Home	Assisted Living	Rest Home w/Nursing Supervision	Skilled Nursing Home
LESS ASSISTANCE					MORE ASSISTANCE	

What can we do?

Creating or expanding the ability for elderly residents to “age in place” will become more important, as will updating the range of housing choices available for this segment of the population, including rehabilitation of existing units and the development of new affordable units.

>> STRATEGY

Provide workforce housing

Work force housing involves core professionals such as:

- Teachers,
- Policemen,
- Health care providers, and
- Firefighters

Workforce housing is housing that is made affordable primarily to households that earn between **80-120** percent of the area's median income (\$59,680 - \$89,520). These people often earn too much to qualify for most housing subsidies, but not enough to afford a house or apartment in Stonington.

Rising home prices and rents in Stonington is a factor in the overall health and quality of life of the community. A lack of affordable housing has made it difficult for businesses to attract workers and has forced workers to travel longer distances to find housing.

Census data from 1990 and 2000 concerning the town of residence for people that work in Stonington shows a one percent reduction in jobs in Stonington, but a five percent increase in the number of workers that commute into Stonington to work. Stonington's resident workforce declined by **14** percent and the growth in non-resident workers has occurred beyond the adjacent communities (Groton, Ledyard, North Stonington and Westerly, RI).

Place of Residence of People Working in Stonington

Place of Residence	1990		2000		% Change
	Count	Percentage	Count	Percentage	
Stonington	3,260	37%	2,814	32%	-14%
Groton	1,493	17%	1,141	13%	-24%
Ledyard	403	5%	404	5%	<1%
New London	294	3%	449	5%	83%
North Stonington	411	5%	408	5%	<-1%
Norwich	279	3%	330	4%	18%
Other NL County	721	8%	1,119	13%	55%
Other CT	299	3%	472	5%	58%
Westerly, RI	1,012	12%	926	11%	-9%
Other RI	538	6%	694	6%	29%
Other US states	95	1%	65	<1%	-32%
	8,805	100%	8,722	100%	

■ Abutting Communities

Thus, we have found concrete and powerful evidence that housing costs are an important, independent factor in economic development.

If home prices and rents continue to rise ... we can expect to see further job erosion, more outmigration, and a real challenge to ... prosperity.

EXECUTIVE SUMMARY Sustaining the Mass Economy: Housing Costs, Population Dynamics, and Employment, Center for Urban and Regional Policy - Northeastern University

 <http://www.curp.neu.edu>

68 percent of the 8,722 people that work in Stonington commute into Stonington from other communities.

>> STRATEGY

Diversify housing choices

Stonington has a diverse housing tenure, with **26** percent of the housing units being renter-occupied (2,234 units), which is close to the state average (31 percent). The housing stock is not as diverse, with over **72** percent of the housing units as single-family residences

In recent years, Stonington's housing supply has become increasingly oriented towards single-family homes. Building Permit data indicates that the vast majority (**93** percent) of these permits involved the construction of single-family residences.

Part of the reason for this trend is consumer demand driven with influences from the local land use permit process, which heavily favors single-family residences because the ease in which a permit can be obtained, in comparison to the permit process for multi-family residential development

It is important to recognize that single-family housing units have both positive and negative elements:

For homeowners

ADVANTAGES

To a large degree, "space" belongs to the homeowner. It can be improved or modified more freely.

Re-sale value is generally the highest on single family detached homes.

If you need more room, you can usually add on to the existing house.

Generally, there are no property management fees as there are in condominiums and many townhouses.

DISADVANTAGES

All maintenance and repair costs - interior, exterior and everything in between - are the homeowners concern.

Lack of amenities (for example, pools, playgrounds, etc.) that you may find in other types of housing.

Homeowner is responsible for landscaping and lawn upkeep costs.

In most areas, single family homes are more expensive than townhouses or condominiums.

 <http://www.ourfamilyplace.com>

For the Community

ADVANTAGES

Small in size and scale. Tend to fit into community character well.

Value tends to appreciate at a faster pace than multi-family residential, and expands the tax base.

Individual ownership and control (when a property owner is "sensitive" to community desires).

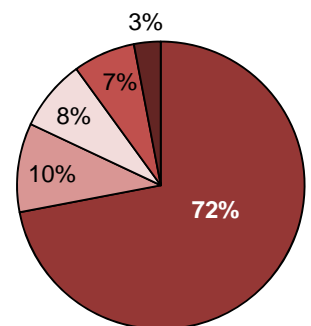
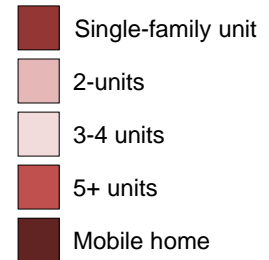
DISADVANTAGES

Displaced around the community, rather than concentrated – can make certain services more difficult to provide.

Tend to generate a higher proportion of school children per unit compared to multi-family housing.

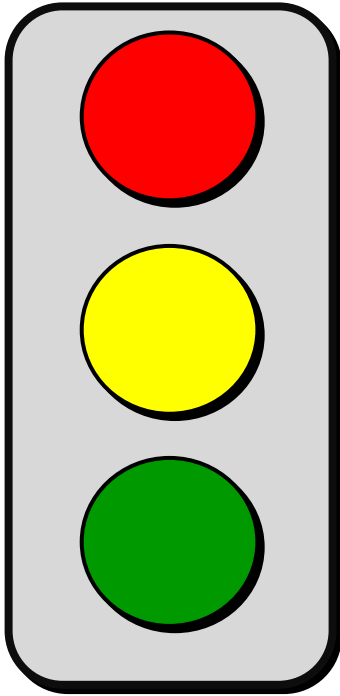
Individual ownership and control (when a property owner resists community desires – property maintenance, zoning compliance, etc.).

Distribution of Residential Units (2006)



Ultimately, if Stonington keeps building one type of housing unit, the community will continue to erode the foundation that makes Stonington special.

Zoning Permit Process - Degrees of Difficulty



Housing diversity requires certainty in the permit process (if an applicant meets the standards he will be approved), and process that encourages housing variety (that other housing types may also be permitted through the administrative process) and market demand for the housing.

One of the main reasons for the concentration of single-family houses relates to zoning designations and the land use permit structure. The current land use environment has been established with a preference towards single-family housing units on individual lots. These units are readily permit-able through the administrative review process, most often as part of a subdivision application.

The development of multifamily units in Stonington requires the issuance of a special use permit. This permit process provides the Planning and Zoning Commission with additional standards of review, but involves greater risk for the developer. Multi-family housing is only allowed in a limited amount of zoning districts with very limiting requirements.

Another housing option, accessory apartments, provides a good basis for affordability. While Stonington allows accessory apartments, the regulations limit this types of housing to older, larger homes. Stonington should re-evaluate this tool as a potential strategy for additional affordability.

Stonington has recently authorized non-conventional tools to allow housing in specific areas of the community. These tools, called floating zones, provide the Commission with a legislative review, arguably the most difficult permit process.

Understanding Permit “Obstacles”

To offer a simplistic description of permit obstacles related to obtaining the permit, the following ranking system has been employed:



“Green Light” – Permitted and Accessory uses

Activities are allowed “by right.” Review by the Planning and Zoning Commission, or their staff, in a simplified permit process. If a project complies with the requirements, it must be approved. Neither a public hearing nor notice to abutter is required. Developers prefer this option. (Note the creation of new building lots (subdivision) is not a simple process, but still involves a “by right” activity.” Stonington identifies single family homes as a permitted use in most zoning districts.



“Yellow Light” – Special Use Permit required

Additional review by the Planning and Zoning Commission, during which a public hearing and notice to abutting property owners is required, which is a perceived “obstacle” from the developer’s perspective. Additional permit criteria and submission requirements. The Planning and Zoning Commission has to make findings that the application complies with the regulations in order to approve (some discretion. Stonington requires a Special Use Permit for multi-family housing, where it is an authorized use.



“Red Light” – Legislative Review

Intense review by the Planning and Zoning Commission. The Commission has legislative authority, allowing the Commission to deny an application regardless of whether an application is complete.

Housing diversity will require policies that encourage developers to be creative.

>> STRATEGY

Partner with others

There are a variety of established programs geared towards assisting developers, non-profit agencies, buyers and real estate professionals. These programs change over time and maintaining awareness of the programs and opportunities can be a challenge.

Stonington can help, by taking an active role in providing education and outreach and staying informed.

Find Partners

Stonington needs to find partners to assist with education programs and implementation of planning efforts. The community should work to form alliances with local realtors and other development professionals, so the community is aware of market trends and other issues that may affect affordability.

Examples of partnerships that may be effective:

- Stonington could work with developers to create housing units that are eligible for CHFA/FmHA loans.
- Stonington could work with religious institutions to develop affordable housing on their properties.
- Stonington could work with a non-profit housing development agency to develop properties obtained by the Town. Such non-profits play a critical role in the development of affordable housing.
- Stonington could work with appropriate social service agencies to find and rehab town-owned or other buildings for congregate care (supervised, staffed housing) of the physically and developmentally disabled.

>> STRATEGY

Promote awareness

There are a variety of established programs geared towards assisting developers, non-profit agencies, buyers and real estate professionals. These programs change over time and maintaining awareness of the programs and opportunities can be a challenge. Stonington can help, by taking an active role in providing education and outreach and staying informed.

Provide education to the community about affordable housing.

Stonington needs to educate homeowners and landowners about the town's need and desire to create affordable housing. More importantly, Stonington needs to educate the community about what affordable housing "is," what it looks like, and the need to provide housing for all citizens.

Conduct Research and Stay Informed

Stonington should continue to research funding availability for affordable housing construction projects through state and federal housing programs. Educating others about these programs might enable additional affordability within the community.

TASKS

WHAT	WHY	PROGRAM CLASS
1. Focus on providing affordable housing for elderly residents.	As Stonington residents age, their ability to continue to afford to live in Stonington can diminish, especially if they are living on a fixed income. With reductions in State and Federal programs for elderly residents, Stonington will need to take a more active role to ensure that elder residents do not become homeless.	EDUCATIONAL
2. Focus on providing workforce housing.	<p>Because of the community's workforce needs both as a tourism center and to maintain the high quality of life in Stonington, the town will need to take a more active role in providing workforce housing.</p> <p>Increased commute times weaken Stonington's attractiveness to employees, as they may readily find other employment opportunities that do not require an onerous commute.</p>	EDUCATIONAL
3. Focus on diversifying housing choices.	Stonington has historically been a diverse community. A variety of elements threaten the continuation of this diversity. The community will need to assess land use regulations to determine how attractive and well thought-out diversity can be encouraged.	EDUCATIONAL
4. Partner with others	Creating affordable housing opportunities requires broad partnerships with organizations that can assist with financing, management, educational and other initiatives.	EDUCATIONAL
5. Promote Awareness	Stonington needs to provide educational and other awareness programs about why housing affordability is important.	EDUCATIONAL

IMPLEMENTATION



Implementation of the Report is an ongoing process. While some recommendations can be carried out in a relatively short period of time, others may only be realized by the end of the planning period or beyond. Since some recommendations may involve additional study or a commitment of fiscal resources, their implementation may take place over several years or occur in stages.

The implementation tables assign primary responsibilities of the Report's recommendations to agencies that would likely be involved in this work. In many instances, the responsibilities are shared by a number of entities (see sidebar).

Policies and Tasks

The implementation tables identify both policies and tasks. **Policies** are long-term guidelines that do not readily lend themselves to a specific schedule or measurement. **Tasks** on the other hand, are specific actions that can typically be scheduled, completed, and evaluated.

Protect Existing Affordable Housing Units (Page 13)

Task	Who
T 1. Provide a density bonus for existing affordable housing developments.	PZC
P 2. Provide tax abatements for existing affordable housing developments.	BOF BOS
P 3. Work with state grant agencies to identify funding sources to renovate existing affordable units.	AHC DOP
T 4. Extend affordability restrictions	AHC PZC

Require Affordable Housing (Page 15)

Task	Who
T 5. Adopt an inclusionary zoning regulation requiring deed-restricted affordable housing in all residential development.	PZC
T 6. Require an "inclusionary housing fee" for all development.	PZC

Legend

The entities listed are considered lead agencies and would not preclude other agencies from participating in the implementation of particular strategies.

- AHC** Affordable Housing Committee
- BOF** Board of Finance
- BOS** Board of Selectmen
- DOP** Department of Planning
- PZC** Planning & Zoning Commission

Implementation Items

T	Task
P	Policy

Legend

The entities listed are considered lead agencies and would not preclude other agencies from participating in the implementation of particular strategies.

AHC	Affordable Housing Committee
BOS	Board of Selectmen
DOP	Department of Planning
PZC	Planning & Zoning Commission

Priorities

T	Task
P	Policy

Convert NOHAs (Page 21)

Task	Who
T 7. Develop a program to convert “naturally occurring” affordable housing units into deed restricted units.	AHC
T 8. Provide incentives to convert existing accessory apartments into deed restricted units.	AHC
P 9. Identify tax delinquent properties, and evaluate them for use as affordable housing.	AHC DOP
T 10. Sponsor education programs for first time home buyers and real estate professionals to encourage the utilization of CHFA and FmHA loan programs	AHC DOP

Develop New Affordable Housing Units (Page 25)

Task	Who
T 11. Take a development role in creating new units.	AHC
P 12. Identify tax delinquent properties and evaluate them for use as affordable housing.	AHC
T 13. Utilize the Incentive Housing Zone Tool.	AHC PZC
T 14. Promote the inclusion of affordable housing in the adaptive reuse of older buildings	AHC PZC

Provide Direction for 8-30g proposals (Page 26)

Task	Who
P 16. Work with developers, to provide direction for 8-30g proposals	PZC DOP

Secondary Strategies (Page 34)

Task	Who
P 15. Focus on providing affordable housing for elderly residents.	AHC PZC
P 17. Focus on providing workforce housing.	AHC DOP
P 18. Focus on diversifying housing choices.	AHC DOP
T 19. Partner with others	AHC DOP
P 20. Promote awareness	AHC DOP

HOUSING TERMS



Additional Housing Terms and Definitions

Adjusted Gross Income. Income after standard deductions set by federal guidelines.

Age in Place. Enabling elder residents to stay in their homes comfortably, safely and independently as they age, regardless of physical challenges.

Area Median Income (AMI). Area Median Income is the amount which divides the income distribution of area families into two equal groups, half of the families having incomes above the median, and half of the families having incomes below the median. The "Area" for Stonington is New London County, exclusive of Colchester and Old Saybrook and includes parts of Canterbury and Westerly, Rhode Island (Norwich-New London, CT HUD Metro Fair Market Rent Area (FMR))

Assisted Living. Services provided within a housing site that assists residents with daily living activities (such as bathing, dressing, cooking, etc.).

Build Out. In 2004, as part of the Plan of Conservation and Development, Planimetrics estimated that Stonington has the capacity to realize an additional 3,530 housing units at full build out (based on zoning regulations and undeveloped acreage at that time and not including multi-family residential).

CHFA. Connecticut Housing Finance Authority. CHFA was created by the State legislature to help alleviate the shortage of affordable housing for low- and moderate-income individuals and families in CT. CHFA administers State and Federal housing tax credit programs, and provides financing for the development of multi-family housing, and provides mortgage financing for first time homebuyers.

Deposit. Money given as security to hold a unit until a written contract is signed. (see Security Deposit)

Extremely Low-Income. Households whose income is less than or equal to 30 percent of area median income. (see AMI)

Fair Housing. Federal law that makes discrimination based on race, color, national origin, religion, sex, family status, or disability illegal when trying to rent or buy a home.

Fair Market Rent (FMR). Rent guidelines for various size units (studio, 1BR, 2BR, etc.) set by HUD for their affordable housing programs based on market rents for the area. (Sec. 8, S+C, etc.). FMRs are published annually by HUD.

Gross Income. Household Income as calculated before taxes or deductions are subtracted.

Housing Affordability. Involves housing that can be afforded by households that earn the Area Median Income (AMI).

HUD. U. S. Department of Housing and Urban Development; A cabinet agency of the federal government established for the purposes of providing affordable housing and overseeing housing, economic and community development.

Inclusionary Zoning (IZ). Inclusionary zoning requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households.

LHA. Local Housing Authority. (see Public Housing Authority)

Low Income Housing. Housing targeted for households whose income is below 80 percent of the area median income. (see AMI)

Market Rate. A rent level that is set without any subsidy or assistance from a public program. Market rate rents are generally comparable to non-subsidized area rents.

Naturally Occurring Housing Affordability. The concept of “naturally occurring” housing affordability (NOHA) involves real estate values that are relatively lower because of neighborhood characteristics (such as overall house conditions and property sizes), house size, or some other market factor (such as zip codes).

Public Housing Authority (PHA or LHA). A Public Housing Authority is responsible for the management and operation of its local public housing program. They may also operate other types of housing programs, including Section 8 subsidies.

Reasonable Accommodation. The legal requirement that housing features, procedures, and other adjustments are considered and/or made to meet the needs of a person with a disability.

Section 8 Housing Choice Voucher Program. A tenant based rental assistance program that provides the user the flexibility to secure housing in the private market that meets their affordability limits. Under this program, tenants are required to pay 30 percent of their household income and HUD pays the rest through the PHA or administering agency.

Senior Housing. Age restricted affordable housing for people either 55 or 62 years of age or older.

Subsidized Unit. Any unit that receives financial assistance to offer reduced housing costs to low-income tenants.

Very Low Income. Household income below 50 percent of area median income.

Voucher. (see Section 8 Housing Choice Voucher)



<http://www.ctpartnershiphousing.com>

ACKNOWLEDGEMENTS

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Tim Murney	Secretary
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